

Office of Regulatory Staff 1401 Main Street Suite 900 Columbia, SC 29201 (803) 737-0800 ORS.SC.GOV

## **BENJAMIN P. MUSTIAN Deputy General Counsel**

January 27, 2022

## **VIA ELECTRONIC FILING**

Jocelyn G. Boyd, Esquire Chief Clerk & Administrator Public Service Commission of South Carolina 101 Executive Center Drive, Suite 100 Columbia, South Carolina 29210

Re: Comments of the South Carolina Office of Regulatory Staff;

Docket No. 2021-321-T

Dear Ms. Boyd:

On November 24, 2021, the Public Service Commission of South Carolina ("Commission") issued a Notice of Request for Public Comments ("Notice") in the above-referenced docket. Therein, the Commission requested that interested persons provide comments on audit reports, impact statements, and the use of South Carolina Tariff Bureau ("Tariff Bureau") rates in the audit reports and impact statements filed by ORS with the Commission concerning Class E household goods licensees.

As reflected in correspondence filed by ORS in Docket No. 2021-211-T, ORS's past practice in dockets where Class E household goods carriers requested to amend their tariffs was to include a table containing a column reflecting the Tariff Bureau rates. The inclusion of Tariff Bureau rates was not intended to be any form of indicator or metric of whether the proposed amended rates were reasonable, but for informational purposes only.

Recently, however, ORS determined that it is no longer appropriate to regularly provide the Tariff Bureau rates in connection with its review of proposed amended rates. First, Tariff Bureau rates often have different applications, terms, and conditions than those proposed to be offered by a non-Tariff Bureau member Class E household goods carrier. Thus, it can be difficult, if not impossible, to make an "apples-to-apples" comparison between the Tariff Bureau rates and the proposed amended rates under consideration by the Commission.

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Second, the Tariff Bureau is not a governmental entity, but rather a non-profit corporation whose subscribing carriers utilize its tariff. Only approximately one-quarter of Class E household goods carriers utilize the Tariff Bureau's rates; therefore, simply because a rate has been approved for use by the Tariff Bureau does not necessarily mean that it is suitable for use in comparing all other proposed rates.

Third, unlike regulated utility companies, household goods movers are not granted the exclusive right to provide a service within a particular territory, but instead operate in a competitive marketplace. Consumers have the ability to investigate and compare prices offered by these carriers and, if consumers believe the offered rates are unreasonable or excessive, they are free to price shop and engage another carrier with more competitive rates.<sup>2</sup> This is one reason ORS does not evaluate or provide recommendations regarding the reasonableness of household good movers' rates.<sup>3</sup>

Finally, 10 S.C. Code Ann. Regs. 103-194 sets forth the criteria for establishment of transportation rates and provides:

In the exercise of its power to prescribe just and reasonable rates for the transportation of passengers or property by common carriers operating under a Certificate of PC&N, the Commission may give due consideration, among other factors, to the need in the public interest of adequate and efficient transportation service by such carriers at the lowest cost consistent with the furnishing of such service and to the need of such carriers for revenues sufficient to enable them, under economical and efficient management, to provide such service.

Because the Tariff Bureau rates may not be appropriate for use by all carriers, ORS believes that it is no longer appropriate to regularly include the Tariff Bureau's rates in its report on matters seeking to amend household good rates.

<sup>&</sup>lt;sup>1</sup> See S.C. Code Ann. § 58-23-1010 ("The commission may approve joint rates, local rates, and rate agreements between two or more motor carriers relating to rates, classifications, allowances, and charges agreed to and published by individuals, firms, corporations, or the South Carolina Tariff Bureau.").

<sup>&</sup>lt;sup>2</sup> There has been movement in recent history in both neighboring states and at the federal level away from attempting to ascertain reasonable rates for individual household goods movers. At the federal level, the Interstate Commerce Termination Act "replaced the requirement applicable to household goods carriers that rates be contained in filed tariffs to one that they be contained in published tariffs." In re Household Goods Movers Antitrust Litig., No. 2:07-CV-2861-DCN, 2009 WL 8234043, at 8 (D.S.C. Sept. 10, 2009). North Carolina and Georgia both utilize Maximum Rate **Tariffs** that establish maximum rates movers can https://www.ncuc.net/Industries/transportation/transportation.html (NC); https://gamccd.net/HouseholdGoods.aspx (GA).

<sup>&</sup>lt;sup>3</sup> ORS does, however, evaluate compliance with issues related to household goods movers' tariffs, including whether carriers are charging the rates set forth in their tariffs as required by 10 S.C. Code Ann. Reg. 103-198 and whether a proposed tariff contains the rates and information required by 10 S.C. Code Ann. Reg. 103-190.

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For these reasons, ORS has discontinued its practice of including information on Tariff Bureau rates in its filings in all amended tariff dockets.

Sincerely,

s/Benjamin P. Mustian Benjamin P. Mustian

cc: All Parties of Record (via electronic mail)David Butler, Esquire (via electronic mail)C. Jo Anne Wessinger Hill, Esquire (via electronic mail)